Saskatchewan Workers Compensation Board

Annual Report 2003

Saskatchewan Workers' Compensation Board Superannuation Plan

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Saskatchewan Workers Compensation Board

Her Honour, The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor of the Province of Saskatchewan
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7

Dear Madam:

Letter of Transmittal

I have the honour to submit herewith the Annual Report of the Workers' Compensation Board Superannuation Plan for the year ending December 31, 2003.

I have the honour to be, Madam,

Your obedient servant,

Deb Higgins

Deb Higgins
Minister Responsible for
The Workers' Compensation Board Superannuation Plan

WCB Saskatchewan Workers Compensation Board

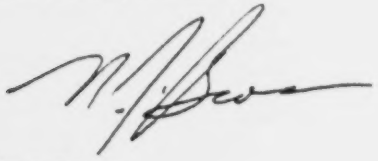
The Honourable Deb Higgins
Minister Responsible for
The Workers' Compensation Board Superannuation Plan
Regina, Saskatchewan

Madam:

Letter of Transmittal

I have the honour to submit the Annual Report of the Workers' Compensation Board Superannuation Plan for the period January 1, 2003 to December 31, 2003, in accordance with Section 55, R.S.S. 1978 of The Workers' Compensation Board Superannuation Act as amended by The Superannuation (Supplementary Provisions) Act.

Respectfully submitted,



N. J. Brown
Chairman
The Workers' Compensation Board Superannuation Plan

Workers' Compensation Superannuation Board

Introduction

The primary purpose of the Board is to provide pension benefits to employees in the event of retirement and secondarily in the event of termination of employment. The plan also provides benefits to the dependents of deceased employees and superannuates in the event of death either prior, or subsequent, to retirement.

The Board, appointed by the Lieutenant Governor in Council, which consists of three members, is responsible for the administration of *The Workers' Compensation Board Superannuation Act*.

Workers' Compensation Superannuation Board

Norm Brown	Chairman
Don Kennedy	Member
Kenneth J. Chernick	Member

Operation of the Plan

This plan is a Defined Benefit pension plan, which provide a benefit based on an employee's highest earnings during specified periods taking into consideration their total years of service to a maximum of 35 years. Currently employees who are contributing to the plan make contributions at a rate of 7%, 8% or 9%, depending on their age when they entered the plan. This contribution is offset by an amount equal to 1.8% of their pensionable earnings between the Year's Basic Exemption and Year's Maximum Pensionable Earnings as defined on an annual basis by the Canada Pension Plan.

Any deficiencies in the Plan are paid out of the revenues of the Workers' Compensation Board and are a charge thereon.

The following table below shows the number of active and retired employees in the plan as of the current and prior year-ends:

	December 31, 2003	December 31, 2002
Active Employees	44	45
Inactive Members	2	2
Retired Employees *	52	56
Totals	**98**	**103**

*Includes Superannuates, plus their dependents that are now in receipt of a survivor pension.

Benefit Payments

During the plan year, benefit payments are made in accordance with the Plan rules due to retirement of employees, termination of employment and death benefits – either due to death of an employee or a superannuate.

The attached tables show all the individuals who retired during the year, split into various categories as to type of retirement.

Contributions to the Plan

In accordance with the contribution schedules outlined above, employee contributions to the plan during the year totaled $136,724. This compares to $138,534 for the previous fiscal year.

Retirement Summary

	December 31, 2003	December 31, 2002
Attained Age 65	-	-
Attained Age 60 – no reduction	-	1
Attained 35 years of Service	1	3
Age 55 and 30 years service – reduced pension	-	-
Ill Health Pensions	-	-
Deferred Allowances now Payable	-	1
Early Retirement Allowances	-	-
Totals	**1**	**5**

Death Benefit Summary

	December 31, 2003	December 31, 2002
Employee Survivor Pension	-	1
Superannuate Survivor Pension	-	-
Totals	**-**	**1**

Termination of Employment Summary

	December 31, 2003	December 31, 2002
Deferred Pension	-	-
Cash Refund	-	-
Reciprocal Transfer	-	1
Totals	**-**	**1**

Detailed listings of all transactions are included at the end of this report.

Investment Performance

The Workers' Compensation Superannuation Board of Trustees (Board) is responsible for holding in trust and investing the monies in the Plan. The Board has retained Greystone Capital Management Inc. to be the investment manager.

The investment manager makes the day-to-day decision of whether to buy or sell specific investments in order to achieve the long-term investment performances set out by the Board in their Investment Policy Statement for the Workers' Compensation Board Superannuation Fund (Fund). It is against these long-term investment performance objectives that the Board assesses the performance of the investment manager.

The Fund's long-term investment performance objective is to outperform a benchmark portfolio constructed as follows:

Asset Class	Market Index	Weight
Canadian	S&P/TSX Composite CPMS CAP 10 Index	25%
US	S&P 500 US Stock Index	12.5%
Non-North American	MSCI EAFE Index	12.5%
Fixed Income Bonds	SCM Universe Bond Index	45%
Short-Term Investments	91 Day Canadian Treasury Bill	5%
Total		**100%**

The objective of the Fund is to achieve a return that is equal to or greater than the return achieved from this benchmark portfolio over a rolling four-year period. The performance history of the Fund as of December 31, 2003 has been:

	1-Year Return	Rolling 4 Year Average
Fund's Return	11.8%	4.6%
Benchmark Return	12.1%	2.8%

Administration

The Public Employees Benefits Agency (PEBA) has responsibility for the operation, administration and management of several superannuation plans and other employee benefits programs. Administration of the Workers' Compensation Superannuation Plan is carried out in conjunction with similar plans administered by PEBA.

Changes to administrative processes will continue to be evaluated with the intent of identifying opportunities for improving customer service and becoming more responsive to the needs of the Board and the membership.

TABLE 1 Allowances Granted to Employees

Employees Retired Having Attained Age of Retirement - Age 65

Name	Position	Final Monthly Salary	Age	Years of Service	Annual Allowance Payable	Effective Date
NONE						

Employees Retired at Any Age With 35 Years Service

Name	Position	Final Monthly Salary	Age	Years of Service	Annual Allowance Payable	Effective Date
GRANT, Paula	Employer Service	4,110.00	54	35/0	34,786.92	August 8, 2003

Employees Retired at Age 60 With 20 Years Service

Name	Position	Final Monthly Salary	Age	Years of Service	Annual Allowance Payable	Effective Date
NONE						

TABLE 2 Allowances Granted to Spouses

Allowances Granted to Spouses of Deceased Superannuates

Name	Date of Death	Age at Death	Annual Allowance At Death	Annual Allowance Payable to Spouse	Effective Date
BEGG, Frieda (s)	January 3, 2003	88	10,206.48	No Beneficiary	
GIBNEY, James	November 2, 2003	91	6,286.56	No Beneficiary	
McELREE, Adelbert (s)	May 19, 2003	82	13,099.08	No Beneficiary	
McGIRR, Phyllis (s)	December 30, 2003	96	9,483.12	No Beneficiary	
ZARAN, Sophie	August 23, 2003	83	13,095.12	No Beneficiary	

Allowances Granted to Spouses of Deceased Employees

Name	Date of Death	Age at Death	Monthly Salary At Death	Annual Allowance Payable to Spouse	Effective Date
NONE					

MANAGEMENT'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

Administration of the Plan is presently assigned to the Public Employees Benefits Agency of the Department of Finance. Management is responsible for financial administration, administration of the funds and managing of assets.

The financial statements, which follow, have been prepared by management in conformity with Canadian generally accepted accounting principles. Management uses internal controls and exercises its best judgment in order that the financial statements reflect fairly the financial position of the Plan.

The present value of annuities is determined by an actuarial valuation. Actuarial valuation reports require best estimate assumptions about future events which require approval by management.

The financial statements have been audited by Deloitte & Touche LLP, Chartered Accountants, whose report follows.

Brian Smith
Executive Director
Public Employees Benefits Agency

Ann Mackrill
Director, Pension Programs
Public Employees Benefits Agency

Kathy Morgan
Director, Financial Services
Public Employees Benefits Agency

Regina, Saskatchewan
February 27, 2004

ACTUARIES' OPINION

Mercer Human Resource Consulting was retained by the Saskatchewan Workers' Compensation Board (the Board) to perform actuarial valuations of the assets and liabilities of the Workers' Compensation Board Superannuation Plan (the Plan) on an accounting basis as at December 31, 2002 and an extrapolation to December 31, 2003, for inclusion in the Annual Report with respect to the Workers' Compensation Board Superannuation Plan for the year ended December 31, 2003.

The valuation of the Plan's actuarial assets and liabilities were based on:

- Membership data provided by the Board as at December 31, 2002;
- Asset data provided by the Board as at December 31, 2003;
- Methods prescribed by the Canadian Institute of Chartered Accountants for pension plan financial statements; and
- Assumptions about future events (economic and demographic) which were developed by management and Mercer Human Resource Consulting and are considered as management's best estimate of these events.

While the actuarial assumptions used to estimate liabilities for the Plan's financial statements contained in the Annual Report represent management's best estimate of future events, and while in our opinion these assumptions are reasonable, the Plan's future experience will differ from the actuarial assumptions. Emerging experience differing from the assumptions will result in gains or losses that will be revealed in future valuations, and will affect the financial position of the Plan.

We have tested the data for reasonableness and consistency with prior valuations and in our opinion the data is sufficient and reliable for the purposes of the valuation. We also believe that the methods employed in the valuation and the assumptions used are, in aggregate, appropriate. Our opinions have been given and our valuation has been performed in accordance with accepted actuarial practice.

Phil Rivard, FIA, FCIA
Mercer Human Resource Consulting

February 27, 2004

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2003

AUDITORS' REPORT

To the Members of the Legislative Assembly of Saskatchewan
Province of Saskatchewan

We have audited the statement of net assets available for benefits, accrued pension benefits and surplus of the Workers' Compensation Board Superannuation Plan as at December 31, 2003 and the statements of changes in net assets available for benefits and changes in accrued pension benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets available for benefits, accrued pension benefits and surplus of the Workers' Compensation Board Superannuation Plan as at December 31, 2003 and the changes in net assets available and accrued pension benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP.

Chartered Accountants

Regina, Saskatchewan
February 27, 2004

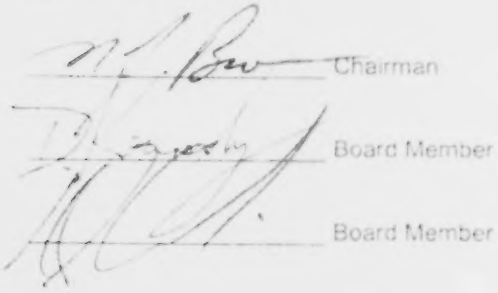
WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN — STATEMENT 1
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS, ACCRUED PENSION BENEFITS AND SURPLUS

DECEMBER 31, 2003 with comparative figures for 2002

	2003	2002
ASSETS		
Investments		
Short-term investments	$ 915,096	$ 1,847,826
Bonds and debentures	13,449,513	12,881,189
Equities	9,164,023	7,176,985
Pooled funds	6,921,411	6,403,173
	30,450,043	28,309,173
Receivables		
Employees' contributions	-	4,626
Accrued investment income	125,870	141,351
Other	522	123
	126,392	146,100
Due from General Revenue Fund (Note 4)	102,991	15,178
Cash	15,772	4,879
Total assets	30,695,198	28,475,330
LIABILITIES		
Administration expenses payable	18,819	9,827
Total liabilities	18,819	9,827
NET ASSETS AVAILABLE FOR BENEFITS (Statement 2)	30,676,379	28,465,503
Actuarial accrued pension benefits (Statement 3)	25,162,118	24,262,000
Surplus	$ 5,514,261	$ 4,203,503

(See accompanying notes to the financial statements)

On behalf of the Board



Chairman

Board Member

Board Member

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN — STATEMENT 2
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2003 with comparative figures for 2002

	2003	2002
INCREASE IN ASSETS		
Investment income		
Interest	$ 714,674	$ 773,837
Dividends – equities	154,346	126,358
Dividends – pooled funds	102,035	90,453
Other	1,481	891
	972,536	991,539
Increase in market values of investments	2,283,620	-
Contributions		
Employee	136,724	138,534
Total increase in assets	3,392,880	1,130,073
DECREASE IN ASSETS		
Administration expenses (Note 9)	131,122	103,220
Superannuation allowances	1,050,882	1,001,385
Decrease in market values of investments	-	2,133,610
Refunds and transfers		
Contributions	-	104,876
Interest	-	138,344
Matching on reciprocal transfer	-	243,220
Total decrease in assets	1,182,004	3,724,655
Increase (decrease) in net assets available for benefits	2,210,876	(2,594,582)
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	28,465,503	31,060,085
NET ASSETS AVAILABLE FOR BENEFITS, end of year (Statement 1)	$30,676,379	$28,465,503

(See accompanying notes to the financial statements)

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
STATEMENT OF CHANGES IN ACCRUED PENSION BENEFITS

STATEMENT 3

FOR THE YEAR ENDED DECEMBER 31, 2003 with comparative figures for 2002

	2003 (Note 6)	2002 (Note 6)
ACCRUED PENSION BENEFITS, beginning of year	$24,262,000	$22,489,000
INCREASE IN ACCRUED PENSION BENEFITS		
Interest accrued on benefits	1,511,000	1,474,000
Benefits accrued	440,000	418,000
Change in assumptions	-	1,369,000
	1,951,000	3,261,000
DECREASE IN ACCRUED PENSION BENEFITS		
Benefits paid	1,050,882	1,488,000
ACCRUED PENSION BENEFITS, end of year (Statement 1)	$25,162,118	$24,262,000

(See accompanying notes to the financial statements)

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2003

1. Description of the Plan

a) General

The Workers' Compensation Board Superannuation Plan (the Plan) was established under *The Workers' Compensation Board Superannuation Act*. Membership is comprised of employees and board members who were enrolled on October 1, 1977 and who did not elect to transfer to the Public Employees Pension Plan prior to October 1, 1978.

b) Administration

The Workers' Compensation Superannuation Board administers the Plan. Day-to-day administration is provided by the Public Employees Benefits Agency.

c) Superannuation Plan

The Plan was established to accumulate contributions paid by employees and the employer, as well as any investment income.

Pensions and refunds of contributions together with interest are paid out of the Plan.

d) Funding Policy

Members contribute at the rate of 7%, 8% or 9% of salary depending on their age at the date of the commencement with the Plan.

The contributions required to be paid by the employer are calculated by applying a predetermined rate to the members' contributions.

e) Retirement

Normal retirement is at age 65. Members who retire may receive benefit payments earlier under the following conditions:

- at any age after 35 years of service,
- at age 60 with at least 20 years of service,
- at age 60 with between 15 years and 20 years of service with a reduced pension,
- at age 55 with at least 30 years of service with a reduced pension.

f) Pension

The lifetime annual pension payable to a member is 1.3% of the average salary received by the member during the five years of highest salary, multiplied by the total number of years of service. The maximum number of years of service is 35 years.

In addition, member's who retire prior to age 65 are entitled to receive a bridge to age 65 equal to 0.7% of the member's average salary up to the average pensionable earnings prescribed by the Canada Pension Plan in the last 5 years before retirement, multiplied by the number of years of service of the member since January 1, 1966 to a maximum of 35 years.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant:

Investments

i) Investments in bonds and equities are recorded at market values which are determined by reference to closing year end sale prices from recognized security dealers or, in the absence of recorded sales, by reference to closing year end bid and ask prices.

ii) Pooled funds are valued based on the net asset value per unit of the underlying assets on the last valuation date.

iii) Short-term investments are recorded at market value.

Change in Market Value of Investments

i) The change in market value reflects the current year's realized and unrealized gains and losses on investments.

Investment Transactions and Income

i) Investment transactions are recorded on the trade date. Transactions conducted in foreign currencies are translated into Canadian dollars using the exchange rate in effect at the transaction date. Dividend income is recognized on the record date. Interest income is recorded as earned.

3. Investments

The investment objectives of the Plan are to ensure the Plan has sufficient assets to meet future pension obligations and to generate sufficient cash flow to meet pension payments. Due to the long-term horizon of the Plan's liabilities, the Plan takes a long-term investment perspective. The strategy employed to achieve these objectives is to invest cash flows from contributions, maturing debentures, and investment returns into assets such as Canadian equities, pooled funds, money market securities, and bonds.

a) Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities.

The value of the Plan's assets is affected by short-term changes in nominal interest rates and equity markets.

b) Credit Risk

Credit risk arises from the potential for an investee to fail or for an issuer to default on its contractual obligations to the Plan. The Plan limits the credit risk by dealing with issuers that are considered to be high quality. The credit ratings used to describe the securities below are based on the Dominion Bond Rating Service and/or Standard and Poor's Ratings Service.

Short-Term Investments

Short-term investments are comprised of T-Bills, notes and commercial paper with effective interest rates of 2.6% to 2.8% (2002 - 2.6% to 2.9%) and an average remaining term to maturity of 91 (2002 - 71) days. The Plan's investment policy states that investments must meet a minimum investment standard of "R-1" rating, as rated by a recognized credit rating service. Other than Government of Canada no single issuer represents more than 14.4% of the market value (2002 - 16.6%) of the short-term investment portfolio.

Bonds

The Plan's investment policy states that bonds must meet a minimum quality standard of BBB as rated by a recognized credit rating service. No more than 15% of the bond portfolio may be invested in BBB rated bonds. As at December 31, 2003, the Plan held 3.9% (2002 - 4.3%) of its portfolio in BBB bonds.

	2003					
Years to Maturity	Federal	Provincial	Corporate	Total Market Value	Yield to Maturity at Market	Coupon Rate
Under 5	$3,313,202	$ 306,204	$1,316,789	$ 4,936,195	2.8-8.1%	3.0-9.0%
5 – 10	1,976,289	1,807,754	534,059	4,318,102	4.5-7.5%	4.5-10.0%
Over 10	2,111,848	1,194,706	888,662	4,195,216	4.9-6.4%	5.2-7.6%
Market Value	$7,401,339	$3,308,664	$2,739,510	$13,449,513		

	2002					
Years to Maturity	Federal	Provincial	Corporate	Total Market Value	Yield to Maturity at Market	Coupon Rate
Under 5	$4,281,065	$ 753,506	$1,539,982	$ 6,574,553	2.9-7.8%	3.5-9.0%
5 – 10	557,461	1,365,728	1,013,712	2,936,901	5.1-7.4%	5.2-7.4%
Over 10	2,043,738	919,263	406,734	3,369,735	5.1-6.8%	5.3-7.2%
Market Value	$6,882,264	$3,038,497	$2,960,428	$12,881,189		

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities

Equities have no fixed maturity dates and are generally not exposed to interest rate risk. Dividends are generally declared on a quarterly basis. The average effective dividend rate is 1.89% (2002 – 1.67%).

The Plan's investment policy allows no one holding to represent more than 10% of the market value of the related portfolio and no one holding to represent more than 10% of the common stock in any corporation.

Pooled Funds

The Plan limits its investments in pooled equity funds to 10% of the market value of each fund. Foreign equities including foreign pooled funds are limited to 30% of the cost of the investment portfolio and are denominated in Canadian dollars. The Plan owns units in pooled equity funds which have no fixed interest rate and whose return is based on the success of the fund manager.

The Plan's pooled funds are managed by Greystone Managed Investments Inc. and are comprised of the following:

	Units Held		% of Total Units Outstanding		Market Value		Investment Income and Change in Market Value	
	2003	2002	2003	2002	2003	2002	2003	2002
	(000's)				(000's)		(000's)	
Greystone Non-North American Fund	-	-	-	-	$ -	$ -	$ -	$ (7)
Greystone EAFE Plus Fund	405	411	0.31	0.33	3,589	3,285	419	(702)
Greystone US Equity Fund	331	327	7.44	8.00	3,333	3,118	214	(1,090)
					$6,922	$6,403	$633	$(1,799)

4. Due from General Revenue Fund

The Plan's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

The Plan's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis into the Plan's bank account using the Government's thirty day borrowing rate and the Plan's average daily bank account balance. The Government's average 30 day borrowing rate in 2003 was 2.87% (2002 – 2.43%).

5. Employer Contributions

The Workers' Compensation Board declared a holiday on employer contributions as the Plan has an actuarial surplus.

6. Obligations for Pension Benefits

The accrued benefit obligation is determined using the projected benefit method pro-rated on service and management's best estimate assumptions approved by the Workers' Compensation Superannuation Board of expected plan investment performance, discount rate, salary escalation and retirement ages of employees. The most recent actuarial valuation was made as at December 31, 2002 and extrapolated to December 31, 2003 by William M. Mercer Limited.

The assumptions used in determining the actuarial value of accrued pension benefits were:

	2003	2002
Discount rate	6.25%	6.25%
Expected long-term rate of return on plan assets	6.25%	6.25%
Salary escalation rate	4.50%	4.00-6.50%
Inflation rate	3.00%	3.00%

The accrued benefit obligation at December 31, 2003 is $25,162,118 (2002 - $24,262,000). It is based on a number of assumptions about future events including: discount rate, expected long-term rate of return on plan assets, rate of salary increase, mortality, retirement rates and inflation. The actual rates may vary significantly from the long-term assumptions used.

The accrued benefit obligation contains a provision for ad hoc increases as they are subject to approval by Order-in-Council. The ad hoc assumption is 50% of CPI based on previous year's

experience. The Lieutenant Governor in Council may provide for supplementary allowances to be paid to superannuates in any year, in any amount and subject to any terms and conditions she considers advisable.

The following illustrates the effect of changing certain assumptions from assumed rates of: inflation 3.00%, salary 4.00%-6.50%, discount rate 6.25% and post retirement indexing 1.5%.

	Long Term Assumptions							
	Inflation*		Salary		Discount Rate		Post Retirement Indexing	
	+ 1.0%	- 1.0%	+ 1.0%	- 1.0%	+ 1.0%	- 1.0%	+ 0.5%	- 0.5%
(Decrease) increase in liability	(5.4%)	6.0%	3.5%	(3.2%)	(11.2%)	15.6%	2.9%	(2.8%)

* A change in the inflation rate of 1% has a corresponding change in the discount rate of 1%, in the salary scale of 1% and in the post retirement indexing of 0.5%.

If there are insufficient moneys in the Plan to pay pension benefits, the Workers' Compensation Board is obligated to pay any such deficiency to the Plan.

7. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Plan by virtue of common influence by the Government of Saskatchewan.

Certain administration expenses are paid by the Plan to the Public Employees Benefits Agency Revolving Fund based upon agreed exchange amounts. The amount is identified in Note 9.

8. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Board. The Board reviews the investment performance of the plan in terms of the performance of the benchmark portfolio over 4 year rolling periods. The primary long-term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance:

	2003	Rolling Four Year Average Annual Return
Plan's actual rate of return (a)	11.8%	4.6%
Target rate of return (b)	12.1%	2.8%

(a) The annual returns are before deducting investment expenses.

(b) The Plan's target rate of return for its investment portfolio (return on the benchmark portfolio) has been determined using the actual returns of the market indexes such as the Toronto Stock Exchange 300 capped 10% Index, Morgan Stanley Capital International Europe Australia Far East Index and the Scotia Capital Markets Universe Bond Index.

9. Administration Expenses

	2003		2002
	Budget	Actual	Actual
Administration - PEBA Revolving Fund	$62,511	$ 62,620	$ 41,564
Custodian fees - Royal Trust		26,855	19,494
Investment management fees - Greystone		41,647	42,162
	$62,511	$131,122	$103,220

10. Fair Value of Financial Assets and Financial Liabilities

The pension liability is long term in nature and there is no market for settling these pension obligations. Therefore, determination of the fair value of the pension liability is not practical (Note 6).

The following method and assumptions were used to estimate the fair value of each class of financial assets and financial liabilities:

Fair values of investments are considered to be market values (Note 2).

For the following financial instruments the carrying amounts approximate fair value due to the immediate or short-term nature of these financial assets and financial liabilities.

a) employees' contributions receivable
b) other receivables
c) due from General Revenue Fund

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENTS

EXHIBIT 1

DECEMBER 31, 2003

Security	Par Value	Market Value
Bonds and Debentures		
Government of Canada	$ 7,101,000	$ 7,401,338
Alberta Capital Finance Authority	129,000	130,243
Ontrea Inc	227,000	237,180
Province of British Columbia	443,000	477,179
Province of Manitoba	306,000	329,763
Province of New Brunswick	153,000	165,025
Province of Newfoundland	101,000	113,340
Province of Nova Scotia	203,000	219,456
Province of Ontario	534,000	591,919
Province of Quebec	448,000	479,713
Quebec Finance Corporation	84,000	92,207
Province of Saskatchewan	380,000	405,099
55 School Board Trust	66,000	67,539
Aeroports De Montreal	51,000	52,299
Alliance Pipeline LP	78,825	88,146
BCE Incorporated	47,000	51,165
Borealis Infrastructure Trust	97,000	103,124
Canadian Imperial Bank of Commerce	40,000	40,000
Canadian Tire Corp	52,000	54,612
Citigroup Finance Canada Inc	81,000	83,790
Column Canada Issuer Corporation	47,000	49,187
Falcon Trust Comm Mortgage	46,000	46,612
GE Capital Canada Funding Company	59,000	61,767
Genesis Trust	82,000	85,576
Glacier Credit Card Trust	74,000	74,661
Gloucester Credit Card Trust	159,000	165,818
Golden Credit Card Trust	78,000	77,947
Greater Toronto Airports Authority	62,000	65,763
Hollis Receivables Term Trust	78,000	82,034
Hydro One Inc	111,000	112,853
Investors Group Inc	87,000	95,466
Loblaw Companies Limited	101,000	100,560
Merrill Lynch Canada Finance Company	60,000	61,041
Merrill Lynch Financial Assets	144,000	151,625
Merrill Lynch Mtge Loans Inc	56,000	61,785
N-45 Degrees 1st CMBS ISS Corp	39,000	39,000
RBC Capital Trust	87,000	90,126
Royal Bank of Canada	104,000	106,380
Scotiabank Capital Trust	86,000	93,736
Sun Life Assurance Company Canada	87,000	92,733
Swift Trust	98,000	98,000
Toronto Dominion Bank	134,000	137,807

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENTS (continued)

DECEMBER 31, 2003

Security	Par Value	Market Value
TransCanada Pipelines Ltd	$ 64,000	$ 65,880
Wells Fargo Financial Canada Corporation	45,000	47,435
York Receivables Trust	71,000	71,348
407 ETR International	114,000	131,236
	$12,794,825	$13,449,513
Canadian Equities		
Bank of Montreal		462,240
Bank of Nova Scotia		696,622
Barrick Gold Corp		297,790
Cameco Corp		338,618
Canadian Imperial Bank of Commerce		16,000
Canadian National Railway		294,380
Canadian Natural Resources Ltd		385,683
CGI Group Inc		109,415
Cott Corporation		127,624
Decoma International Inc		36,254
Domtar Inc		96,200
Dorel Industries Inc		35,865
Encana Corporation		367,455
Falconbridge Ltd		16,307
Finning International Inc		243,600
Forzani Group Limited		52,812
Loblaw Companies Ltd		212,424
MacDonald Dettwiler & Associates		46,172
Magna International Inc		351,655
Manulife Financial Corp		390,879
Masonite International Corporation		253,272
Meridian Gold Inc.		110,551
Molson Inc		194,796
National Bank of Canada		193,914
Open Text Corporation		107,111
Patheon Inc		66,464
Penn West Petroleums Ltd		244,463
Petro-Canada		445,453
Potash Corporation of Saskatchewan		205,381
Power Corp of Canada		497,552
Power Financial Corp		275,882
Rona Inc		27,759
Royal Bank of Canada		605,022
Saputo Inc.		100,152

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENTS (continued)

DECEMBER 31, 2003

Security	Par Value	Market Value
Shoppers Drug Mart Corporation	$	$ 182,878
SNC-Lavalin Group Inc		266,220
Stratos Global Corp		56,936
Talisman Energy Inc		252,909
TransCanada Corporation		384,744
Westjet Airlines Ltd		114,369
		9,164,023
Pooled Funds		
Greystone EAFE Plus Fund		3,588,811
Greystone United States Equity Fund		3,332,600
		6,921,411
	$12,794,825	$29,534,947

Summary	Par Value	Market Value
Government of Canada & Guarantees	$ 7,101,000	$ 7,401,338
Provincials and Guarantees	3,074,000	3,308,664
Corporate Bonds	2,619,825	2,739,511
	$12,794,825	$13,449,513
Canadian Equities		9,164,023
Pooled Funds		6,921,411
Total Long Term Investments	$12,794,825	$29,534,947
Short Term Investments	928,000	915,096
	$13,722,825	$30,450,043

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENT DISPOSITIONS

EXHIBIT 2

YEAR ENDED DECEMBER 31, 2003

Security	Maturity Date	Interest Rate	Proceeds
Government of Canada	December 1, 2003	7.50%	$ 104,446
Government of Canada	December 1, 2003	Residual	50,000
Government of Canada	June 1, 2004	3.50%	5,161,490
Government of Canada	June 1, 2005	3.50%	4,509,776
Government of Canada	December 1, 2005	3.00%	2,581,299
Government of Canada	September 1, 2006	5.75%	1,950,639
Government of Canada	September 1, 2007	4.50%	1,083,077
Government of Canada	September 1, 2008	4.25%	4,025,442
Government of Canada	June 1, 2012	5.25%	2,797,719
Government of Canada	June 1, 2013	5.25%	13,261,812
Government of Canada	December 1, 2031	4.00%	96,029
Government of Canada	June 1, 2033	5.75%	3,765,321
Ontrea Inc.	October 31, 2011	5.70%	57,004
Ontrea Inc.	April 9, 2013	5.57%	89,632
Province of British Columbia	June 12, 2007	Floating	79,982
Province of Manitoba	December 3, 2012	5.25%	84,289
Province of New Brunswick	December 6, 2012	5.875%	64,434
Province of Nova Scotia	September 1, 2010	6.40%	66,661
Province of Ontario	February 1, 2006	Floating	232,010
Province of Ontario	July 24, 2006	7.75%	237,481
Province of Ontario	March 8, 2007	5.20%	190,681
Province of Ontario	May 30, 2008	Floating	212,989
Province of Ontario	November 19, 2009	6.20%	64,728
Province of Ontario	December 2, 2011	6.10%	88,519
Province of Ontario	December 2, 2012	5.375%	48,128
Province of Ontario	June 2, 2031	6.20%	64,263
Province of Ontario	March 8, 2033	5.85%	61,951
Province of Quebec	December 1, 2005	6.50%	205,379
Province of Quebec	October 1, 2012	6.00%	177,748
Province of Saskatchewan	December 3, 2012	5.25%	31,429
Quebec Finance Corporation	December 1, 2008	5.75%	47,979
Quebec Hydro	November 1, 2006	Floating	84,928
Alliance Pipeline LP	June 30, 2023	7.181%	3,080
Altalink LP	June 5, 2013	5.43%	24,794
Bank of Nova Scotia	July 22, 2013	5.65%	56,188
Canada Trustco Mtge Co	September 13, 2004	6.00%	156,579
Canadian Tire Receivables Trust	December 20, 2007	4.82%	49,083
Citibank Canada	July 28, 2005	6.55%	68,090
Citigroup Finance Canada Inc	January 30, 2006	4.05%	46,726
Falcon Trust Comm Mortgage	January 15, 2011	5.15%	342
GE Capital Canada Funding Co	January 5, 2005	Floating	75,038
GE Capital Canada Funding Co	July 24, 2007	5.30%	67,960

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENT DISPOSITIONS (continued)

YEAR ENDED DECEMBER 31, 2003

Security	Maturity Date	Interest Rate	Proceeds
GE Capital Canada Funding Co	June 6, 2013	5.15%	$ 58,579
Genesis Trust	February 15, 2005	6.869%	84,078
Glouster Credit Card Trust	March 15, 2006	5.693%	90,499
Great West Life Capital Trust	December 31, 2052	5.995%	63,491
Greater Toronto Airports Authority	January 30, 2012	6.25%	87,031
Greater Toronto Airports Authority	June 4, 2031	7.10%	41,674
Hollis Receivables Term Trust	September 21, 2004	6.205%	88,071
Hydro One Inc	May 4, 2007	4.45%	67,681
Loblaw Companies Ltd	June 2, 2008	6.00%	52,104
Loblaw Companies Ltd	February 17, 2033	6.54%	61,387
Manulife Financial Capital Trust	June 30, 2012	6.70%	73,258
Merrill Lynch Canada Finance Co	November 19, 2007	5.35%	64,455
Merrill Lynch Financial Assets	November 12, 2033	5.66%	67,226
Nav Canada	December 1, 2006	6.60%	99,809
Nova Gas Transmission Corporation	January 31, 2008	6.00%	55,873
RBC Capital Trust	June 30, 2010	7.288%	103,235
Royal Bank of Canada	June 4, 2012	6.75%	80,243
Sun Life Assurance Company Canada	June 30, 2022	6.15%	32,386
Toronto Dominion Bank	July 31, 2012	6.55%	107,373
Wells Fargo Financial Canada Corp	June 15, 2007	5.50%	24,262
407 ETR International	February 16, 2004	6.40%	53,340
407 ETR International	December 17, 2007	6.90%	82,353
407 ETR International	July 27, 2009	6.05%	96,113
AGF Management Ltd	Canadian Equity	-	131,947
ATI Technologies Inc	Canadian Equity	-	72,874
Bank of Nova Scotia	Canadian Equity	-	60,106
Cameco Corp	Canadian Equity	-	65,631
Canadian National Railway	Canadian Equity	-	139,339
Canadian Natural Resources Ltd	Canadian Equity	-	9,005
Cott Corp	Canadian Equity	-	7,558
Domtar Inc	Canadian Equity	-	155,887
Encana Corp	Canadian Equity	-	3,746
Finning International Inc	Canadian Equity	-	44,915
Ipsco Inc	Canadian Equity	-	81,335
Loblaw Companies Ltd	Canadian Equity	-	79,683
Magna International Inc	Canadian Equity	-	137,313
Masonite International Group	Canadian Equity	-	6,298
MI Developments Inc	Canadian Equity	-	46,661
Molson Inc	Canadian Equity	-	33,250
Penn West Petroleum Ltd	Canadian Equity	-	14,427
Power Financial Corp	Canadian Equity	-	61,434
Quebecor World Inc	Canadian Equity	-	107,233

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENT DISPOSITIONS (continued)

YEAR ENDED DECEMBER 31, 2003

Security	Maturity Date	Interest Rate	Proceeds
Royal Bank of Canada	Canadian Equity	-	$ 57,146
Royal Group Technologies Limited	Canadian Equity	-	35,308
Saputo Inc	Canadian Equity	-	5,498
Shoppers Drug Mart Corporation	Canadian Equity	-	56,338
Stratos Global Corp	Canadian Equity	-	28,600
Transalta Corp	Canadian Equity	-	77,353
Greystone EAFE Plus Fund	Pooled Fund	-	115,000
			$45,393,551

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENT PURCHASES

EXHIBIT 3

YEAR ENDED DECEMBER 31, 2003

Security	Maturity Date	Interest Rate	Par Value	Cost
Government of Canada	December 1, 2003	7.50%	$ 101,000	$ 104,737
Government of Canada	December 1, 2003	Residual	50,000	49,579
Government of Canada	June 1, 2004	3.50%	3,351,000	3,353,089
Government of Canada	June 1, 2005	3.50%	4,473,000	4,478,389
Government of Canada	December 1, 2005	3.00%	2,670,000	2,816,403
Government of Canada	September 1, 2006	5.75%	469,000	495,929
Government of Canada	September 1, 2007	4.50%	537,000	542,333
Government of Canada	September 1, 2008	4.25%	5,638,000	5,629,060
Government of Canada	June 1, 2012	5.25%	2,200,000	2,246,815
Government of Canada	June 1, 2013	5.25%	14,243,000	14,732,647
Government of Canada	December 1, 2031	4.00%	76,000	96,080
Government of Canada	June 1, 2033	5.75%	3,983,000	4,288,757
Canada Housing Trust	December 15, 2008	4.10%	983,000	981,496
Alberta Capital Finance Authority	December 2, 2013	5.00%	129,000	127,638
Ontrea Inc	April 9, 2013	5.57%	310,000	311,205
Province of British Columbia	January 9, 2012	5.75%	92,000	96,201
Province of British Columbia	June 18, 2029	5.70%	30,000	30,993
Province of Manitoba	May 15, 2011	10.00%	50,000	66,278
Province of Ontario	February 1, 2006	Floating	152,000	152,167
Province of Ontario	March 8, 2007	5.20%	182,000	191,517
Province of Ontario	May 30, 2008	Floating	213,000	213,011
Province of Ontario	November 19, 2009	6.20%	60,000	64,854
Province of Ontario	November 19, 2010	6.10%	117,000	130,116
Province of Ontario	December 2, 2011	6.10%	227,000	243,203
Province of Ontario	December 2, 2012	5.375%	45,000	45,081
Province of Ontario	June 2, 2027	7.60%	60,000	73,402
Province of Ontario	June 2, 2031	6.20%	55,000	59,617
Province of Ontario	March 8, 2033	5.85%	62,000	61,373
Province of Quebec	June 1, 2009	5.50%	244,000	253,586
Province of Quebec	October 1, 2012	6.00%	52,000	54,662
Province of Saskatchewan	September 5, 2031	6.40%	77,000	85,358
Quebec Hydro	November 1, 2006	Floating	85,000	84,966
55 School Board Trust	June 2, 2033	5.90%	66,000	65,954
Aeroports De Montreal	October 11, 2033	6.611%	51,000	51,000
Alliance Pipeline LP	June 30, 2023	7.181%	29,000	30,224
Altalink LP	June 5, 2013	5.43%	24,000	23,994
Borealis Infrastructure Trust	May 3, 2011	6.27%	24,000	25,010
Canadian Imperial Bank of Commerce	April 1, 2004	Floating	40,000	40,000
Citigroup Finance Canada Inc	January 30, 2006	4.05%	46,000	45,956
Citigroup Finance Canada Inc	August 5, 2008	4.30%	34,000	33,936
GE Capital Canada Funding Co	June 6, 2013	5.15%	60,000	59,930
Glacier Credit Card Trust	November 20, 2008	4.444%	74,000	74,000

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENT PURCHASES (continued)

YEAR ENDED DECEMBER 31, 2003

Security	Maturity Date	Interest Rate	Par Value	Cost
Gloucester Credit Card Trust	June 15, 2007	5.59%	$ 30,000	$ 31,382
Gloucester Credit Card Trust	May 15, 2008	4.716%	65,000	65,000
Golden Credit Card Trust	October 15, 2008	4.159%	78,000	78,000
Greater Toronto Airports Authority	January 30, 2012	6.25%	22,000	22,751
Hollis Receivables Term Trust	April 26, 2006	5.672%	22,000	22,992
Hydro One Inc	May 4, 2007	4.45%	66,000	65,692
Hydro One Inc	June 23, 2008	4.00%	65,000	64,901
Hydro One Inc	November 15, 2012	5.77%	46,000	46,503
Investors Group Inc	May 9, 2011	6.75%	13,000	13,830
Loblaw Companies Ltd	June 2, 2008	6.00%	16,000	16,703
Loblaw Companies Ltd	November 20, 2013	5.40%	41,000	40,884
Loblaw Companies Ltd	February 17, 2033	6.54%	59,000	59,312
Loblaw Companies Ltd	June 9, 2034	6.05%	60,000	59,675
Merrill Lynch Cda Finance Company	September 12, 2008	4.70%	60,000	60,166
Merrill Lynch Financial Assets	June 12, 2035	5.245%	74,000	74,000
N-45 Degrees 1st CMBS ISS Corp	November 15, 2020	5.667%	39,000	39,000
RBC Capital Trust	June 30, 2010	7.288%	23,000	25,261
RBC Capital Trust	December 31, 2053	5.812%	87,000	87,000
Royal Bank of Canada	November 4, 2018	Floating	104,000	104,313
Scotiabank Capital Trust	June 30, 2052	6.626%	29,000	29,992
Sun Life Assurance Company Canada	June 30, 2022	6.15%	45,000	47,088
Toronto Dominion Bank	July 31, 2012	6.55%	31,000	33,480
Toronto Dominion Bank	September 5, 2013	4.54%	59,000	58,984
Toronto Dominion Bank	June 3, 2018	5.69%	75,000	75,107
TransCanada Pipelines Ltd	January 15, 2014	5.650%	64,000	64,128
Wells Fargo Financial Canada Corp	June 15, 2007	5.50%	20,000	20,826
York Receivables Trust	July 21, 2008	4.272%	71,000	71,000
407 ETR International	August 15, 2007	9.00%	31,000	35,391
407 ETR International	December 17, 2007	6.90%	31,000	34,154
407 ETR International	July 27, 2009	6.05%	86,000	94,950
Bank of Montreal	Canadian Equity	-		63,860
Bank of Nova Scotia	Canadian Equity	-		45,521
Barrick Gold Corp	Canadian Equity	-		59,786
Cameco Corp	Canadian Equity	-		14,526
Canadian Imperial Bank of Commerce	Canadian Equity	-		15,888
Canadian National Railway	Canadian Equity	-		34,749
Canadian Natural Resources Ltd	Canadian Equity	-		80,336
CGI Group Inc	Canadian Equity	-		31,799
Cott Corporation	Canadian Equity	-		23,015
Decoma International Inc	Canadian Equity	-		4,698
Domtar Inc	Canadian Equity	-		13,783

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENT PURCHASES (continued)

YEAR ENDED DECEMBER 31, 2003

Security	Maturity Date	Interest Rate	Par Value	Cost
Dorel Industries Inc	Canadian Equity	-	$	$ 40,411
Encana Corporation	Canadian Equity	-		89,621
Falconbridge Ltd	Canadian Equity	-		15,119
Finning International Inc	Canadian Equity	-		32,083
Forzani Group Limited	Canadian Equity	-		6,116
Loblaw Companies Limited	Canadian Equity	-		30,343
MacDonald Dettwiler & Associates	Canadian Equity	-		45,807
Magna International Inc	Canadian Equity	-		23,860
Manulife Financial Corporation	Canadian Equity	-		61,005
Masonite International Corporation	Canadian Equity	-		25,109
Meridian Gold Inc	Canadian Equity	-		39,707
MI Developments Inc	Canadian Equity	-		46,255
Molson Inc	Canadian Equity	-		29,327
National Bank of Canada	Canadian Equity	-		165,324
Open Text Corp	Canadian Equity	-		15,254
Patheon Inc	Canadian Equity	-		84,021
Penn West Petroleums Ltd	Canadian Equity	-		36,195
Petro-Canada	Canadian Equity	-		85,967
Potash Corporation of Saskatchewan	Canadian Equity	-		170,979
Power Corp of Canada	Canadian Equity	-		56,400
Power Financial Corp	Canadian Equity	-		11,402
Rona Inc	Canadian Equity	-		24,366
Royal Bank of Canada	Canadian Equity	-		62,948
Saputo Inc	Canadian Equity	-		9,324
Shoppers Drug Mart Corporation	Canadian Equity	-		23,405
SNC-Lavalin Group Inc	Canadian Equity	-		32,658
Stratos Global Corp	Canadian Equity	-		85,800
Talisman Energy Inc	Canadian Equity	-		39,687
TransCanada Corporation	Canadian Equity	-		54,824
Westjet Airlines Ltd	Canadian Equity	-		97,206
Greystone EAFE Plus Fund	Pooled Fund	-		67,009
Greystone United States Equity Fund	Pooled Fund	-		35,026
			$42,976,000	$46,183,530